Oregon

Theodore R. Kulongoski, Governor

Department of State Lands
775 Summer Street NE, Suite 100
Salem, OR 97301-1279
(503) 378-3805
FAX (503) 378-4844
www.oregonstatelands.us.

MEMORANDUM

January 16, 2004

State Land Board

Theodore R. Kulongoski
Governor

To: Field Operations Staff
Sand and Gravel Licensee/Lessees

Bill Bradbury
Secretary of State

From: Steve Purchase
Assistant Director, Field Operations

Randall Edwards
State Treasurer

Subject: **2004 Sand and Gravel Royalty Rates**

OAR 141-14-120(3) requires us to annually determine whether the adopted sand and gravel royalty rates should be adjusted. Pursuant to this requirement, we have reviewed the Department of Labor Producers Prices Index for sand and have determined that there will be an increase for 2004.

The 2004 Sand and Gravel Royalty rates are as follows:

Removal Location	*2004 Rate/ Cubic Yard*	*2004 Rate/ Ton**
Below RM 72 of the Willamette River and Tributaries	83 cents	62.33 cents
Above RM 72 of the Willamette River and Tributaries	56 cents	42.06 cents
Other State-Owned Waterways	52 cents	39.05 cents
Shorecast Dredge Spoils	60 cents	45.06 cents

If you have any further questions, please contact me at (503) 378-3805, extension 279.

* Based on an average weight of 2663 lb. per cubic yard per OAR 141-14-115.

c: Property Managers
Jeff Kroft
Pamela Konstantopoulos
Nancy Pustis

SJP:jjv
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January 16, 2004

State Land Board

RICHARD ANGSTROM, MANAGING DIRECTOR
OREGON CONCRETE AND AGGREGATE PRODUCERS ASSOCIATES INC
737 13TH STREET SE
SALEM OR 97301

Theodore R. Kulongoski
Governor

Bill Bradbury
Secretary of State

RE: 2004 Sand and Gravel Royalty Rates

Randall Edwards
State Treasurer

Dear Richard:

The Department of State Lands (DSL) is required to adjust the minimum royalty rates based on an index to be created and maintained by the DSL pursuant to Oregon Administrative Rule 141-14-120(3). DSL has opted to use the Department of Labor Producers Price Index for Sand and Gravel as an appropriate index. This letter is to inform you the DSL has reached a conclusion concerning the adjustment of sand and gravel rates for the 2004 calendar year.

We have reviewed the Department of Labor Producers Price Index for sand and gravel for 2003 and determined the nationwide index realized an increase of approximately 3.41% over that period. When the 3.41% factor was applied to the adopted minimum royalty rates, we concluded that it is appropriate to increase all royalty rates as shown below.

Removal Location	*2004 Rate/Cubic Yard*
Below RM 72 of the Willamette River and Tributaries	83 cents
Above RM 72 of the Willamette River and Tributaries	56 cents
Other State-Owned Waterways	52 cents
Shorecast Dredge Spoils	60 cents

As always, I am willing to meet with you and members of your organization to explain the process for the annual adjustment. If you feel this would be beneficial, please contact me at 503-378-3805, extension 279.

Sincerely,

Stephen J. Purchase
Assistant Director
Field Operations

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Januray 16, 2004

TO: File

From: Steve Purchase

RE: Sand and Gravel Rates

This memo is to document the changes in the sand and gravel rates by year since the State Land Board adopted the OAR's in September 1991.

Year	Willamette River Below RM 72	Willamette River Above RM 72	Dredge Spoils	Other
1991	$0.60	$0.41	$0.45	$0.38
1992	$0.60	$0.41	$0.45	$0.38
1993	$0.61	$0.42	$0.46	$0.39
1994	$0.63	$0.44	$0.48	$0.41
1995	$0.63	$0.44	$0.48	$0.41
1996	$0.65	$0.45	$0.50	$0.43
1997	$0.67	$0.46	$0.50	$0.43
1998	$0.69	$0.47	$0.51	$0.44
1999	$0.71	$0.49	$0.53	$0.45
2000	$0.73	$0.50	$0.54	$0.46
2001	$0.76	$0.52	$0.56	$0.48
2002	$0.79	$0.54	$0.58	$0.50
2003	$0.81	$0.55	$0.59	$0.51
2004	$0.83	$0.56	$0.60	$0.52

SJP:jbm
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